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TN REGULATORY AUTHORITY
DOCKET ROOM

October 22, 2002

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Kentucky Utilities Company - Carroll County Refinancing (Docket No. 02-00718)

Dear Mr. Waddell:

Pursuant to the Authority's Order in the aforementioned proceeding, Kentucky Utilities Company ("KU" or the "Company") hereby advises the Authority that, on October 3, 2002, KU completed the sale of \$96,000,000 Pollution Control Revenue Bonds ("Kentucky Utilities Company Project"). The details of the bond issue are as follows:

\$96,000,000 County of Carroll, Kentucky Pollution Control Revenue Bonds, 2002 Series C

The sale of the securities was negotiated with Salomon Smith Barney and Banc of America Securities LLC and was completed as shown in the table below:

<u>Face Value</u>	<u>Initial Interest Rate</u>	<u>Rate Adjustment Date</u>
\$96,000,000	1.43%	11/05/2002

The interest rate on this bond issuance will be reset every 35 days through an auction mechanism that will reflect existing market conditions. Salomon Smith Barney and Banc of America Securities LLC will act as the Remarketing Agents with respect to the bonds.

Total underwriter's commission paid to Salomon Smith Barney and Banc of America Securities LLC was \$201,600 and \$134,400, respectively. A two percent call premium in the amount of \$1,920,000 was paid at closing. An insurance premium in the amount of \$1,522,390 was paid at closing to Ambac Assurance Company. Other fees and expenses involved in the issuance and distribution (legal, printing, accounting, etc.) are estimated to be \$350,000.

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KU encloses two (2) copies of the Official Statement. Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy and returning it in the envelope provided.

Should you have any questions regarding this information, or if you require any additional information, please let me know.

Sincerely yours,

A handwritten signature in black ink, appearing to read "M. S. Beer", written over a horizontal line.

Michael S. Beer

Enclosures